

Fiscal Transparency to Consumers and Tax Withholding Deduction Relief

June, 2024

On June 28th, the National Congress passed the "Fiscal Measures Relief and Relevant Law", which establishes a Fiscal Transparency Regime for Consumers and Tax Withholding Deduction Relief.

1. Fiscal Transparency Regime for Consumers

- **Tax Disclosure on Invoice:**

When a registered taxpayer conducts sales, leases, or service provisions subject to taxation to final consumers, they must disclose the tax imposed on the transaction on the invoice or equivalent document. The same criteria apply to entities whose operations are exempt, including those registered under the Simplified Regime for Small Taxpayers.

- **Publication of Prices Excluding VAT and National Taxes:**

All entities engaged in sales, or service provisions to final consumers must indicate the net amount excluding VAT and other indirect national taxes that affect prices in the publication of prices for respective goods or services. This must be accompanied by the statement "PRICE EXCLUDING TAXES".

Invoices, receipts, or similar fiscal documents issued for transactions mentioned above must detail the amount of VAT and other indirect national taxes that affect prices separately. This aims to ensure that all final consumers are aware of the amount paid for these taxes in each transaction conducted.

- **Penalties for Non-Compliance:**

Failure to comply with the aforementioned requirements may result in closure for a period of 2 to 6 days, as established by the Tax Procedure Law.

- **Free Access Services or Works:**

Furthermore, in advertising for services or works of any kind at the national, provincial, municipal, and Autonomous City of Buenos Aires levels, which are freely accessible or provided to citizens, the word "free" or similar terms cannot be used. It must be clarified that these are services or works of free access funded by taxpayers' taxes.

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2. Tax Withholding Exemption on Electronic Payments for Small Taxpayers

Entities managing debit, credit, purchase, and similar cards, and other electronic payment processors for payments made through the systems they manage, process, or operate; and financial entities for payments made in settlements corresponding to payments made through systems managed, processed, or operated by the former:

- Must, on a monthly basis, provide competent jurisdictional or inter-jurisdictional authorities, when determined, with information related to payments made through the systems they manage.
- • They may only withhold taxes when so required by national tax authorities, provided that the amounts they process exceed the equivalent of 10,000 Units of Purchasing Power per month per taxpayer. The Ministry of Economy may establish mechanisms to identify billing thresholds or affected subjects.

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